

Amendment II to RFP 2019-TPL-01

6/28/2019

NOTE THE FOLLOWING AND ATTACHED ADDITIONS, DELETIONS AND/OR CHANGES TO THE REQUIREMENTS FOR THE REQUEST FOR PROPOSAL NUMBER: 2019-TPL-01. THIS AMENDMENT MUST BE INCLUDED IN THE VENDOR'S RESPONSE AND MEET THE REQUIREMENTS AS DEFINED IN THE RFP.

THE CONTRACTOR MUST SIGN AND RETURN THIS AMENDMENT WITH THEIR PROPOSAL.

I. Section IV.D, Estate Recovery, Page 13 remove the following:

Contractor must describe its work plan and capability for performing specific functions, within a local office (reference Section V.,A.,2.), in order to pursue recovery from the estates of deceased Medicaid recipients and/or their spouses who are age 55 and over, institutional recipients (regardless of age), and from trusts established for Medicaid recipients. Assets for these individuals must be identified and monitored for possible estate recovery.

Specific services needed, but not limited to, are:

1. Identify deceased recipients who have assets and meet the age requirement.
2. Cross match with vital statistics data systems using social security numbers of Medicaid recipients in order to notify Medicaid of death of recipient in a timely manner.
3. Cross match recipient's social security number to determine if an estate has been or will be opened in the probate court system.
4. Perform asset verification matches for determining reported and unreported assets of recipients.
5. Determine if an estate claim needs to be filed.
6. In cases where assets are identified and the family does not open an estate, determine if it is cost-effective for Medicaid to open an estate.
7. Take action to determine the amount owed to Medicaid by editing for appropriate claim types and by excluding duplicate claims.
8. File a claim when appropriate and approved by Medicaid.
9. Provide State staff with access to the Contractor's case tracking system that will identify the stage of progression for each estate recovery case being worked by Contractor and will allow Medicaid to add notes to the tracking system.
10. Provide weekly automated updates to the MMIS Fiscal Agent on estate recovery cases that are performed by Contractor once the case has been fully processed. Contractor must submit updates to the MMIS in a separate file extract using a format approved by the State. Error Reports generated by this process must be monitored and necessary corrections made within five (5) business days of the date of the reports.

11. Contractor must follow-up on any cases that are not uploaded to the MMIS system, working error reports provided by the Fiscal Agent.
12. Contractor must respond to legal notices when served and process Medicaid's estate claims in a timely manner. Contractor must meet all estate recovery deadlines by: Opening probate, ensuring that Letters of Administration are granted marking the beginning of the six-month time limit, and submitting Notice to Creditors within that six-month time limit. If the Notice occurs after the six-month time limit, Contractor will have (30) days to follow-up.

Other Services As Requested:

1. Assist Medicaid in developing policies and procedures for estate recovery when necessary.
2. Medicaid is pursuing the passage of State legislation requiring all estates opened in probate to obtain a letter from Medicaid indicating Medicaid's intent to file a claim against the estate. In the event Medicaid chooses to utilize Contractor to pursue Medicaid's claims against applicable cases, the Contractor must describe its work plan and capabilities for performing specific functions in order to determine how notices of probate will be processed, including staffing and resource requirements.

II. Section IV.E, Special Need Trust (SNTs), Page 14 change as follows:

Currently reads as:

In the event Medicaid chooses to utilize the Contractor to support Special Needs Trust (SNT) efforts, the Contractor must describe its work plan and capability for performing specific functions in order to identify 42 USC 1396P (d)(4)(a) Special Need Trusts and 42 USC 1396P (d)(4)(c) Pooled Trusts (with exception of Alabama Family Trusts) and perform an annual financial accounting of trust expenditures.

Revised as:

In the event Medicaid chooses to utilize the Contractor to support Special Needs Trust (SNT) efforts, the Contractor must describe its work plan and capability for performing specific functions in order to identify 42 USC 1396P (d)(4)(a) Special Need Trusts and 42 USC 1396P (d)(4)(c) Pooled Trusts (with exception of Alabama Family Trusts) and perform an annual financial accounting of trust expenditures.

Contractor must have an attorney, licensed and in good standing with a state Bar. The attorney must have expertise in this scope of work, including 42 U.S.C. 1396p(d) trusts, to ensure Contractors compliance with federal and state trust laws, as well as Alabama Medicaid Agency rules and regulations. Contractor explicitly

acknowledges the attorney does not represent Alabama Medicaid in any capacity and to the extent the attorney works with the Alabama contract, does so only to assist the Contractor in its compliance and performance of this contract.

III. Section VI., Performance Guarantees, Page 25 remove the following:

<p><u>Estate Recovery</u> 6. Contractor must establish recovery case file and update case activities on the MMIS TPL subsystem. All case activities must be updated when applicable. Contractor must ensure that system updates do not change or affect existing cases entered by Medicaid.</p>	<p>Pursuant to RFP Section IV.,D.,10., [Contractor must] “provide weekly automated updates to the MMIS fiscal agent on estate recovery cases that are performed by Contractor once the case has been fully processed. Contractor must submit updates to the MMIS in a separate file extract using a format approved by the State. Error Reports generated by this process must be monitored and necessary corrections made <u>within (5) business days</u> of the date of the reports.”</p>	<p>Any valid complaint or deficiency identified to Medicaid with this standard will be brought to Contractor’s attention. Contractor will provide a corrective action plan detailing the reason for occurrence and the immediate resolution, as well as, the implementation of controls to prevent future occurrences. Failure to correct deficiencies will be subject to a \$200.00 penalty for each month the deficiencies are not in compliance with the timeline agreed upon in the Contractor’s corrective action plan.</p>
<p><u>Estate Recovery</u> 7. Contractor must maintain a local customer service unit that will adequately and timely respond to estate recovery inquiries, telephone calls and correspondence.</p>	<p>Pursuant to RFP Section V., A.,3., “communication must include toll-free numbers to provide timely responses for medical record requests, inquiries/requests related to casualty cases, and requests associated with estate recovery.” A timely response for phone calls and inquiries is <u>within one (1) business day</u>; for correspondence <u>within five (5) business days</u>.</p>	<p>Any valid complaint or deficiency identified to Medicaid with this standard will be brought to Contractor’s attention. Contractor will provide a corrective action plan detailing the reason for occurrence and the immediate resolution, as well as, the implementation of controls to prevent future occurrences. Failure to correct deficiencies will be subject to a \$200.00 penalty for each month the deficiencies are not in compliance with the timeline agreed upon in the Contractor’s corrective action plan.</p>

<p><u>Estate Recovery</u></p> <p>8. Contractor must meet all estate recovery deadlines.</p>	<p>Pursuant to RFP Section IV.,D.,12., [Contractor must] “respond to legal notices when served and process Medicaid’s estate claims in a timely manner. Contractor must meet all estate recovery deadlines by: Opening probate, ensuring that Letters of Administration are granted marking the beginning of the 6-month time limit, and submitting Notice to Creditors within that 6-month time limit. If the Notice occurs after the 6-month time limit, Contractor will have 30 days to follow-up.”</p>	<p>Any valid complaint or deficiency identified to Medicaid with this standard will be brought to Contractor’s attention. Contractor will provide a corrective action plan detailing the reason for occurrence and the immediate resolution, as well as, the implementation of controls to prevent future occurrences. If after thirty (30) days the corrective action has not been implemented, Medicaid will impose a \$1,000.00 penalty per future case occurrence.</p>
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IV. Appendix C, Cost Proposal, Page 61 change as follows:

Currently reads as:

Appendix C Cost Proposal

Note:

The Contractors must fill in Column B: Percentage/Rate.

There are two types of fees for the Cost Proposal:

1. Set Fees notated by dollar symbols (\$), and
2. Contingency Fees notated by percentage symbols (%).

RFP Name: Third Party Liability (TPL) Recoveries and Cost Avoidance

	Description	Multiplier*	Percentage/Rate (to be completed by Contractor)	Extension (to be completed by the State)
	Third Party Liability	A	B	C
	Commercial policy adds(price per policy):	N/A	N/A	N/A
1	Major Medical - Active TPL Add (via <u>monthly</u> data matching)	8,000	\$	\$
2	Major Medical - Active TPL Add (via <u>daily</u> data matching)	2,000	\$	\$
3	Major Medical - Inactive TPL Add	4,000	\$	\$
4	Major Medical – TPL Update	2,000	\$	\$
5	Pharmacy – Active TPL Add (via <u>monthly</u> data matching)	6,000	\$	\$
6	Pharmacy – Active TPL Add (via <u>daily</u> data matching)	2,000	\$	\$
7	Pharmacy – Inactive TPL Add	1,500	\$	\$
8	Pharmacy – TPL Update	1,000	\$	\$
9	Dental - Active TPL Add	4,000	\$	\$
10	Dental - Inactive TPL Add	500	\$	\$
12	Medicare Supplement - Active TPL Add	1,000	\$	\$

	Description	Multiplier*	Percentage/Rate (to be completed by Contractor)	Extension (to be completed by the State)
13	Medicare Supplement - Inactive TPL Add	200	\$	\$
14	Medicare Supplement – TPL Update	100	\$	\$
	Total Policy Adds/Updates			\$

15	Third Party Insurance Recoveries - Fee as a percentage of recoveries, includes: Insurance billings and recoupments.	\$15,000,000	%	\$
16	Subrogation Recoveries - Fee as a percentage of recoveries, includes: casualty and product liability settlements and litigation	\$5,000,000	%	\$
17	Credit Balance Audits - Fee as a percentage of recoveries	\$1,500,000	%	\$
18	Estate Recoveries - Fee as a percentage of recoveries	\$1,000,000	%	\$
19	HIPP (Health Insurance Premium Payments) Administration - Monthly management fee of Active cases	5,000	\$	\$
20	Long Term Care Financial Audits – Audit fee per facility	24	\$	\$
21	TPL Follow UP Unit - Fee as a percentage of recoveries	\$1,000,000		\$
22	Annual Accounting of 42 USC 1396P (d)(4)(a) Special Need Trusts (SNT) – fee per SNT	200	\$	\$
	Grand Total (Recoveries and Policy Adds/Updates)			\$

* Multipliers are an annual representation for RFP evaluation purposes only and shall not be interpreted as an estimate of actual volume.

Revised as:

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Contractor Signature

Title

Date Signed

I hereby acknowledge the receipt of Addendum II to RFP 2019-TPL-01.

Authorized Contractor Signature

Date

Contractor Organization